

111TH CONGRESS
1ST SESSION

H. R. 1748

To amend title 18, United States Code, to enhance the investigation and prosecution of mortgage fraud and financial institution fraud, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2009

Mr. CONYERS (for himself, Mr. SMITH of Texas, Mr. DELAHUNT, Ms. JACKSON-LEE of Texas, and Mrs. BIGGERT) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Oversight and Government Reform and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 18, United States Code, to enhance the investigation and prosecution of mortgage fraud and financial institution fraud, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fight Fraud Act of
5 2009”.

1 **SEC. 2. AMENDMENTS TO IMPROVE MORTGAGE, SECURI-**
2 **TIES, AND FINANCIAL FRAUD RECOVERY AND**
3 **ENFORCEMENT.**

4 (a) DEFINITION OF FINANCIAL INSTITUTION
5 AMENDED TO INCLUDE MORTGAGE LENDING BUSI-
6 NESS.—Section 20 of title 18, United States Code, is
7 amended—

8 (1) in paragraph (8), by striking “or” after the
9 semicolon;

10 (2) in paragraph (9), by striking the period and
11 inserting “; or”; and

12 (3) by inserting at the end the following:

13 “(10) a mortgage lending business or any per-
14 son or entity that makes in whole or in part a feder-
15 ally related mortgage loan as defined in section 3 of
16 the Real Estate Settlement Procedures Act of
17 1974.”.

18 (b) MORTGAGE LENDING BUSINESS DEFINED.—

19 (1) IN GENERAL.—Chapter 1 of title 18, United
20 States Code, is amended by inserting after section
21 26 the following:

22 **“§ 27. Mortgage lending business defined**

23 “In this title, the term ‘mortgage lending business’
24 means an organization which finances or refinances any
25 debt secured by an interest in real estate, including private
26 mortgage companies and any subsidiaries of such organi-

1 zations, and whose activities affect interstate or foreign
2 commerce.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions at the beginning of chapter 1 of title 18,
5 United States Code, is amended by adding at the
6 end the following:

“27. Mortgage lending business defined.”.

7 (c) FALSE STATEMENTS IN MORTGAGE APPLICA-
8 TIONS AMENDED TO INCLUDE FALSE STATEMENTS BY
9 MORTGAGE BROKERS AND AGENTS OF MORTGAGE LEND-
10 ING BUSINESSES.—Section 1014 of title 18, United States
11 Code, is amended—

12 (1) by striking “or” after “the International
13 Banking Act of 1978),”; and

14 (2) by inserting after “section 25(a) of the Fed-
15 eral Reserve Act” the following: “or a mortgage
16 lending business, or any person or entity that makes
17 in whole or in part a federally related mortgage loan
18 as defined in section 3 of the Real Estate Settlement
19 Procedures Act of 1974”.

20 (d) MAJOR FRAUD AGAINST THE GOVERNMENT
21 AMENDED TO INCLUDE ECONOMIC RELIEF AND TROU-
22 BLED ASSET RELIEF PROGRAM FUNDS.—Section 1031(a)
23 of title 18, United States Code, is amended—

24 (1) by striking “in any procurement” and in-
25 serting “in any grant, contract, subcontract, sub-

1 sidy, loan, guarantee, insurance or other form of
 2 Federal assistance, including through the Troubled
 3 Assets Relief Program, an economic stimulus, recovery
 4 or rescue plan provided by the Government, or
 5 the Government’s purchase of any preferred stock in
 6 a company, or any procurement”; and

7 (2) by striking “the contract, subcontract” and
 8 inserting “such grant, contract, subcontract, sub-
 9 sidy, loan, guarantee, insurance or other form of
 10 Federal assistance”.

11 (e) SECURITIES FRAUD AMENDED TO INCLUDE
 12 FRAUD INVOLVING OPTIONS AND FUTURES IN COMMOD-
 13 ITIES.—

14 (1) IN GENERAL.—Section 1348 of title 18,
 15 United States Code, is amended—

16 (A) in the caption, by inserting “**and**
 17 **commodities**” after “**Securities**”;

18 (B) in paragraph (1), by inserting “any
 19 commodity for future delivery, or any option on
 20 a commodity for future delivery, or” after “any
 21 person in connection with”; and

22 (C) in paragraph (2), by inserting “any
 23 commodity for future delivery, or any option on
 24 a commodity for future delivery, or” after “in
 25 connection with the purchase or sale of”.

1 (2) CLERICAL AMENDMENT.—The item relating
2 to section 1348 in the table of sections at the begin-
3 ning of chapter 63 of title 18, United States Code,
4 is amended by inserting “and commodities” after
5 “Securities”.

6 **SEC. 3. ADDITIONAL FUNDING FOR INVESTIGATORS AND**
7 **PROSECUTORS FOR MORTGAGE FRAUD, SE-**
8 **CURITIES FRAUD, AND OTHER CASES IN-**
9 **VOLVING FEDERAL ECONOMIC ASSISTANCE.**

10 (a) IN GENERAL.—

11 (1) AUTHORIZATION.—There is authorized to
12 be appropriated to the Attorney General, to remain
13 available until expended, \$165,000,000 for each of
14 the fiscal years 2010 and 2011, for the purposes of
15 investigations, prosecutions, and civil proceedings in-
16 volving Federal assistance programs and financial
17 institutions, including financial institutions to which
18 this Act and amendments made by this Act apply.

19 (2) ALLOCATIONS.—With respect to fiscal years
20 2010 and 2011, the amount authorized to be appro-
21 priated under paragraph (1) shall be allocated as
22 follows:

23 (A) Federal Bureau of Investigation:
24 \$75,000,000 for fiscal year 2010 and
25 \$65,000,000 for fiscal year 2011.

1 (B) The offices of the United States Attor-
2 neys: \$50,000,000.

3 (C) The criminal division of the Depart-
4 ment of Justice: \$20,000,000.

5 (D) The civil division of the Department of
6 Justice: \$15,000,000.

7 (E) The tax division of the Department of
8 Justice: \$5,000,000.

9 (b) ADDITIONAL APPROPRIATIONS FOR THE POSTAL
10 INSPECTION SERVICE.—There is authorized to be appro-
11 priated to the Postal Inspection Service of the United
12 States Postal Service, \$30,000,000 for each of the fiscal
13 years 2010 and 2011 for investigations involving Federal
14 assistance programs and financial institutions, including
15 financial institutions to which this Act and amendments
16 made by this Act apply.

17 (c) ADDITIONAL APPROPRIATIONS FOR THE INSPEC-
18 TOR GENERAL FOR THE DEPARTMENT OF HOUSING AND
19 URBAN DEVELOPMENT.—There is authorized to be appro-
20 priated to the Inspector General of the Department of
21 Housing and Urban Development, \$30,000,000 for each
22 of the fiscal years 2010 and 2011 for investigations involv-
23 ing Federal assistance programs and financial institutions,
24 including financial institutions to which this Act and
25 amendments made by this Act apply.

1 (d) ADDITIONAL APPROPRIATIONS FOR THE UNITED
2 STATES SECRET SERVICE.—There is authorized to be ap-
3 propriated to the United States Secret Service of the De-
4 partment of Homeland Security, \$20,000,000 for each of
5 the fiscal years 2010 and 2011 for investigations involving
6 Federal assistance programs and financial institutions, in-
7 cluding financial institutions to which this Act and amend-
8 ments made by this Act apply.

9 (e) USE OF FUNDS.—The funds authorized to be ap-
10 propriated under subsections (a), (b), (c), and (d) shall
11 be limited to cover the costs of each listed agency or de-
12 partment for investigating possible criminal, civil, or ad-
13 ministrative violations and for prosecuting criminal, civil,
14 or administrative proceedings involving financial crimes
15 and crimes against Federal assistance programs, including
16 mortgage fraud, securities fraud, financial institution
17 fraud, and other frauds related to Federal assistance and
18 relief programs.

19 (f) REPORT TO CONGRESS.—Following the final ex-
20 penditure of all funds appropriated under this section that
21 were authorized by subsections (a), (b), (c), and (d) the
22 Attorney General, in consultation with the United States
23 Postal Inspection Service, the Inspector General for the
24 Department of Housing and Urban Development, and the

1 Secretary of Homeland Security, shall submit a joint re-
2 port to Congress identifying—

3 (1) the amounts expended under subsections
4 (a), (b), (c), and (d) and a certification of compli-
5 ance with the requirements listed in subsection (e);
6 and

7 (2) the amounts recovered as a result of crimi-
8 nal or civil restitution, fines, penalties, and other
9 monetary recoveries resulting from criminal, civil, or
10 administrative proceedings and settlements under-
11 taken with funds authorized by this Act.

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